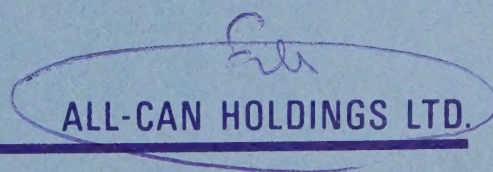





CanCorp



annual report
1976

CANADIAN and WORLD FILM DISTRIBUTION • CANADIAN BROADCASTERS



AC ALL-CAN HOLDINGS LTD.

A public company with shares listed on the Toronto and Vancouver Stock Exchanges.

wholly owned subsidiaries:

- AW** ALL-WORLD CINEMA LIMITED
- CHIC RADIO LIMITED
- GREEN INK LIMITED
- BELLEVILLE MEDIA LIMITED
- MEDIA ALL-CAN INC.

Harry J. Allen Jr., and Leslie A. Allen, officers of the above companies, are carrying into the 70's, in Canada and throughout the world, the entertainment tradition synonymous with the Allen name since 1906.

Head Office: All-Can House, 41A Avenue Road, Toronto, Canada, M5R 2G3. Telephone: (416) 925-3172. Cable Address: LASALLEN, Toronto, Canada.



ALL-CAN HOLDINGS LTD.

Incorporated under the laws of the Province of British Columbia

Officers and Directors

LESLIE A. ALLEN
President and Chief Executive Officer
Toronto, Ontario

A. T. R. CAMPBELL, Q.C.
Director
Partner, Davis & Company
Barristers & Solicitors
Vancouver, B.C.

PROF. JAMES A. BEVERIDGE
Director
Professor
Motion Pictures, School of Fine Arts
York University
Toronto, Ontario

JAMES A. COWAN
Director
Public Relations Counsel
Toronto, Ontario

HARRY J. ALLEN, JR.
Secretary and Director
Toronto, Ontario

Solicitors
Davis & Co.
Vancouver, B.C.

Auditors
Fuller Jenks Landau
Toronto, Ontario

Registrar and Transfer Agents
Guaranty Trust Company of Canada
540 Burrard Street 88 University Ave.
Vancouver, B.C. Toronto, Ont.

Class B shares are listed on Toronto and Vancouver Stock Exchanges.





ALL-CAN HOLDINGS LTD.

All-Can House, 41A Avenue Road, Toronto, Canada M5R 2G3

Cable Address

"LASALLEN"

416 - 925-3173

PRESIDENT'S REPORT

To The Shareholders:

Submitted herewith are the consolidated financial statements for your company and its subsidiaries for the fiscal year ending August 31, 1976.

Our wholly-owned subsidiary's FM radio station CFNY-FM now broadcasts 18 hours daily with unique programme material emphasizing diversity in music, in the spoken word, and live talent, all of which on-air content is significantly different from other radio stations, as it establishes new FM programming patterns.

CHIC-AM is now broadcasting with increased power and programming that has gained wide acceptance

World motion picture film production is now approximately 10% of previous levels. Your company has continued to acquire prints of previously produced motion pictures and thus will continue to profit from the increasing world film shortage.

Thanks is due to all our staff, and in particular, the company's comptroller, Mr. Paul Wilson, C. A., the company's secretary, Mr. Harry J. Allen, Jr., and the chief engineer, Mr. Michael Hargrave-Pawson.

On behalf of the Board of Directors,

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Leslie A. Allen'.

Leslie A. Allen,

President

November 7, 1976.



and subsidi

(Incorporated under the laws of

CONSOLIDATED

AUGUST

ASSETS

	<u>1976</u>	<u>1975</u>
Current		
Cash	\$ 115,815	\$ 13,384
Accounts receivable	39,439	47,734
Inventories, note 1 (b)	10,048,533	7,616,259
Prepaid expenses	10,126	6,472
Loans and advances	<u>3,459</u>	<u>—</u>
	<u>10,217,372</u>	<u>7,683,849</u>
Fixed, note 2	<u>291,687</u>	<u>316,565</u>
Other, note 3	<u>522,971</u>	<u>517,005</u>
	<u>\$11,032,030</u>	<u>\$8,517,419</u>

Approved on behalf of the Board:

"J. A. COWAN", Director

"LESLIE A. ALLEN", Director

AUDITORS' REPORT

To The Shareholders,
All-Can Holdings Ltd.

We have examined the consolidated balance sheet of All-Can Holdings Ltd. and its subsidiaries as at August 31, 1976 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at August 31, 1976 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
November 2, 1976

FULLER JENKS LANDAU
Chartered Accountants

ALL-CAN HOLDINGS LTD.

companies

(Province of British Columbia)

BALANCE SHEET

1, 1976

LIABILITIES

	1976	1975
Current		
Bank loans, note 4	\$ 574,950	\$ 619,617
Accounts payable and accrued liabilities	254,812	245,000
Income taxes payable	11,008	13,108
Due to other corporations	166,012	13,021
Due to directors	112,614	24,095
Deferred income	1,000	10,839
Deferred income taxes, note 5	3,950,804	2,783,327
Current portion of long-term debt, note 6	339,309	228,705
	<u>5,410,509</u>	<u>3,937,712</u>
Long-term		
Long-term debt, less current portion, note 7	770,795	888,088
Deferred Income Taxes, note 5	67,800	71,000
	<u>6,249,104</u>	<u>4,896,800</u>

SHAREHOLDERS' EQUITY

Capital Stock, note 8	897,500	897,500
Retained Earnings	3,885,426	2,723,119
	<u>4,782,926</u>	<u>3,620,619</u>
	<u>\$11,032,030</u>	<u>\$8,517,419</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS FOR THE YEAR ENDED AUGUST 31, 1976

Retained earnings, beginning of year	\$2,723,119	\$1,843,794
Net income for the year	1,162,307	879,325
Retained earnings, end of year	<u>\$3,885,426</u>	<u>\$2,723,119</u>



ALL-CAN HOLDINGS LTD.

and subsidiary companies

(Incorporated under the laws of the Province of British Columbia)

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED AUGUST 31, 1976

	1976	1975
Income	\$3,615,887	\$2,742,978
Expenses excluding depreciation and amortization	607,711	482,322
Income from Operations (before depreciation and amortization)	3,008,176	2,260,656
Depreciation	25,965	22,221
Amortization of film costs	657,726	486,226
	683,691	508,447
Income, before taxes	2,324,485	1,752,209
Provision for income taxes		
Current	(5,300)	30,000
Deferred	1,167,478	842,884
	1,162,178	872,884
Net income for the year	\$1,162,307	\$ 879,325
Earnings per participating share	\$ 1.35	\$ 1.02

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED AUGUST 31, 1976

	1976	1975
Working capital was provided by:		
Net income for the year	\$1,162,307	\$ 879,325
Add items not requiring an expenditure of funds:		
— depreciation	25,965	22,221
— deferred income taxes	(3,200)	9,514
	1,185,072	911,060
Reduction of long-term assets	—	1,310,721
	1,185,072	2,221,781
Working capital was applied to:		
Deferred expenses	5,966	7,326
Purchase of fixed assets	1,087	32,253
Reduction in long-term debt	117,293	76,012
	124,346	115,591
Increase in working capital	1,060,726	2,106,190
Working capital, beginning of year	3,746,137	1,639,947
Working capital, end of year	\$4,806,863	\$3,746,137
Working capital represented by:		
Current assets	\$10,217,372	\$7,683,849
Current liabilities	5,410,509	3,937,712
	\$ 4,806,863	\$3,746,137

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 1976

1. Statement of Significant Accounting Policies

- (a) **Basis of consolidation**
The consolidated financial statements include the accounts of the company's wholly-owned subsidiaries CHIC Radio Limited, All-World Cinema Limited, Green Ink Limited, Belleville Media Limited and Media All-Can Inc.
- (b) **Inventory**
Inventory consists of unamortized film and print costs. Films and prints are acquired for specified periods or in perpetuity and the costs are amortized over the period of anticipated revenue.
- (c) **Income recognition**
Income from film distribution is recognized as instalment payments become due although certain contracts may extend the film rights beyond the payment term.

2. Fixed Assets

	1976		1975	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Lands	\$ 80,585	\$ —	\$ 80,585	\$ —
Buildings	44,947	14,875	44,947	13,262
Radio equipment	274,615	129,035	275,840	115,304
Projection equipment	34,000	26,869	34,000	25,087
Mobile telephones	9,380	5,423	9,380	4,104
Furniture and fixtures	39,831	26,891	37,519	23,656
Automobiles	8,413	4,405	8,413	2,687
Leasehold improvements	25,669	18,255	25,669	15,688
	<u>517,440</u>	<u>225,753</u>	<u>516,353</u>	<u>199,788</u>

Cost less accumulated depreciation \$291,687

\$316,565

The company provides for depreciation at the following rates:

Declining balance	— Buildings	— 5% per annum
	— Projection equipment	— 20% per annum
	— Mobile telephones	— 25% per annum
	— Furniture and fixtures	— 20% per annum
	— Automobiles	— 30% per annum
Straight line	— Radio equipment	— 5% per annum
	— Leasehold improvements	— 10% per annum

3. Other Assets, at cost

	1976	1975
Incorporation and organization expense	\$ 27,737	\$ 27,737
Deferred expenses	28,718	22,752
Radio licences — nominal value	2	2
Goodwill	466,514	466,514
	<u>\$522,971</u>	<u>\$517,005</u>

Expenses of certain subsidiaries have been deferred until such time as the subsidiaries become actively involved in the earning of income.

4. Bank Loans

The bank loans are secured by a general assignment of book debts.

5. Deferred Income Taxes

Subsidiary companies follow the income tax allocation basis of accounting whereby the provision for income taxes relates to the accounting income for the period. The cumulative tax effects of timing differences relate to current assets and fixed assets and are classified accordingly.

6. Current Portion of Long-Term Debt

A subsidiary has withheld payment to a supplier called for, as referred to in note 7 (note payable (a)), pending delivery of certain material and the resolution of outstanding claims.

7. Long Term Debt, less current portion

Mortgages payable — secured by lands and buildings:	
11% first mortgage due 1980	\$ 48,952
12% first mortgage due 1980	50,195
9¾% first mortgage due 1978	2,071
Lien note, secured by certain radio equipment, due 1979	2,911
Notes payable	
(a) \$100,000 due 1977 without interest	
(b) \$ 50,000 due annually 1977-1986 without interest	600,000
Other — 1977 — \$11,111; \$5,555 due annually 1978-1986	66,666
	<u>\$770,795</u>

The noteholder (a) has initiated a legal action for current payment of these notes. Management believes the action is without merit and accordingly the notes are recorded as a long-term liability in accordance with their due dates, and has initiated an action for damages.

8. Share Capital

	1976	1975
Authorized:		
1,040 Class A voting, non-participating shares, no par value		
4,250,000 Class B non-voting, participating shares, no par value		
Issued and fully paid:		
1,040 Class A shares	\$130,000	\$130,000
860,000 Class B shares	767,500	767,500
	<u>\$897,500</u>	<u>\$897,500</u>

9. Commitments

A subsidiary company has entered into long-term leases of land which require annual rentals of \$15,000 until 1984 and \$30,000 until 1981.

10. Statutory Information

The direct remuneration paid or payable by the company to the directors or senior officers of the company for the year ended August 31, 1976 was \$51,500 (1975 - \$51,550).

Interest on long-term indebtedness for the year ended August 31, 1976 was \$11,300.

